



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

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FOR IMMEDIATE RELEASE

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ATTORNEY GENERAL DARRELL MCGRAW SETTLES WITH TIME INC. CONCERNING AUTOMATIC RENEWAL OFFERS AND MAIL SOLICITATIONS

Attorney General Darrell McGraw announced today that he has joined with 22 other Attorneys General in reaching a settlement with Time Inc. As a result of the settlement, Time Inc. will refund up to \$4.3 million to more than 108,000 consumers nationwide and will pay \$4.5 million to the states for their costs and fees. Nine hundred eighty-four West Virginia consumers will receive approximately \$35,940.14 in refunds, and Time will pay an additional \$75,000.00 to the State of West Virginia.

The settlement resulted from the states' investigation into Time's marketing and billing practices concerning automatic renewal offers, billing and collection procedures, and solicitations in the form of invoices. The states investigated complaints that Time was billing consumers or charging their credit cards for unwanted magazine subscriptions. These complaints arose when Time broke with the long-standing industry tradition of limited-term subscriptions that are renewed at the customer's option at the end of the subscription term. In its place, and without adequately informing customers of the change, Time initiated an automatic renewal method that requires the customer to cancel the subscription if a renewal is not wanted. The States also received complaints that Time mailed consumers solicitations that were initially believed to be invoices.

Attorney General McGraw stated, "My office will continue to ensure that consumers are properly informed and not charged for unwanted products or services."

Time has agreed to take several steps to alleviate the states' concerns. Time has agreed to provide clear and conspicuous disclosures to consumers concerning all of the material terms for automatic subscription renewals. For the next five years, consumers will have the opportunity to affirmatively indicate whether they want the automatic renewal option. Before the end of the subscription period, Time will send customers written reminders of the automatic renewal, their right to cancel the subscription and the procedure for cancellation.

Time will honor all requests to cancel subscriptions as soon as reasonably possible. If customers are charged for magazines they did not order, Time will refund the subscription price.

Time will not mail solicitations to consumers for subscriptions that resemble bills, invoices or statements of accounts due. In addition, Time will not submit unpaid accounts of automatic renewal customers for third party collections.

Within the next three months, Time will be sending state-approved refund letters and claim forms directly to consumers who were automatically renewed between 1998- May 2004. The letters will explain the settlement and contain instructions on how to apply for refunds. Consumers should look for an envelope from Time that says "REFUND OFFER ENCLOSED."

If you have any questions about this matter or want to report a problem with obtaining a refund from Time, please call Attorney General McGraw's Consumer Hotline at 1-800-368-8808 or 304-558-8986.

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